

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | ELIZABETH FONTAINE | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Shrewsbury Retirement Board  
FROM: Joseph E. Connarton, Executive Director  
RE: Appropriation for Fiscal Year 2017  
DATE: November 16, 2015

Required Fiscal Year 2017 Appropriation: **\$6,127,778**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2017 which commences July 1, 2016.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2017 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Sherman Actuarial Services as part of their January 1, 2014 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2017.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

## Attachments

cc: Town Manager  
Town Meeting  
c/o Town Clerk



## Shrewsbury Retirement Board

### Projected Appropriations

Fiscal Year 2017 - July 1, 2016 to June 30, 2017

Aggregate amount of appropriation: **\$6,127,778**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
<b>FY 2017</b>	\$6,049,684	\$6,127,778	\$0	\$6,127,778	\$6,049,684	\$78,094	\$0
<b>FY 2018</b>	\$6,316,869	\$6,378,506	\$0	\$6,378,506	\$6,316,869	\$61,637	\$0
<b>FY 2019</b>	\$6,595,732	\$6,639,616	\$0	\$6,639,616	\$6,595,732	\$43,884	\$0
<b>FY 2020</b>	\$6,886,783	\$6,911,547	\$0	\$6,911,547	\$6,886,783	\$24,764	\$0
<b>FY 2021</b>	\$7,190,555	\$7,194,749	\$0	\$7,194,749	\$7,190,555	\$4,194	\$0

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

## Breakouts

	<u>Total</u>	<u>Housing</u>	<u>Light</u>	<u>Cable</u>	<u>Water</u>	<u>Sewer</u>	<u>Custodians</u>	<u>All Others</u>	<u>School Employees</u>	<u>School Lunch</u>
(1) Participants										
(a) Actives	572	10	34	33	13	5	20	167	264	26
(b) Inactives	121	0	3	1	0	0	1	13	97	6
(c) Retirees and Beneficiaries	219	2	24	6	10	1	20	117	21	18
(d) Disabled Retirees	30	0	2	0	1	0	3	22	1	1
(e) Total	942	12	63	40	24	6	44	319	383	51
(2) Payroll of Active Participants	\$23,896,051	\$516,982	\$2,440,204	\$1,999,926	\$700,569	\$214,411	\$982,197	\$9,447,694	\$7,106,707	\$487,361
(3) Normal Cost										
(a) Total Normal Cost	2,782,953	42,466	343,382	196,327	68,373	21,017	107,818	1,211,912	742,587	49,069
(b) Expected Employee Contributions	2,047,005	38,984	208,806	183,561	58,692	17,603	84,044	815,275	599,805	40,235
(c) Administrative Expenses	120,000	1,831	14,807	8,466	2,948	906	4,649	52,257	32,020	2,116
(d) Net Employer Normal Cost (a) - (b) + (c)	855,948	5,313	149,383	21,232	12,629	4,320	28,423	448,894	174,802	10,950
(4) Actuarial Accrued Liability	114,519,810	1,949,071	17,818,370	5,197,826	3,779,983	663,283	6,839,093	62,177,064	13,678,845	2,416,274
(5) Assets*	82,514,065	1,336,908	14,859,617	3,789,314	2,592,768	454,959	4,691,075	43,749,450	9,382,601	1,657,372
(6) Unfunded Actuarial Accrued Liability (4) - (5)	32,005,745	612,163	2,958,753	1,408,512	1,187,215	208,324	2,148,018	18,427,614	4,296,244	758,902
(7) Amortizations*	4,476,901	85,628	413,865	197,020	166,065	29,140	300,461	2,577,619	600,950	106,154
(8) Total Required Employer Contributions (3d) + (7)	5,332,849	90,941	563,247	218,251	178,695	33,460	328,884	3,026,515	775,752	117,104
(9) Fiscal 2016 Cost	5,885,675	100,369	621,636	240,876	197,219	36,929	362,977	3,340,256	856,170	129,243
(10) Fiscal 2017 Cost	6,127,778	104,498	647,207	250,784	205,331	38,448	377,908	3,477,655	891,388	134,559
(11) Fiscal 2018 Cost	6,378,506	108,774	673,689	261,045	213,732	40,021	393,371	3,619,948	927,861	140,065
(12) Fiscal 2019 Cost	6,639,616	113,227	701,267	271,731	222,481	41,659	409,474	3,768,134	965,844	145,799
(13) Fiscal 2020 Cost	6,911,547	117,864	729,988	282,860	231,593	43,365	426,244	3,922,462	1,005,401	151,770
(14) Fiscal 2021 Cost	7,194,749	122,694	759,899	294,450	241,083	45,142	443,709	4,083,185	1,046,598	157,989
(15) Fiscal 2022 Cost	7,489,697	127,724	791,051	306,521	250,966	46,993	461,899	4,250,574	1,089,503	164,466
(16) Fiscal 2023 Cost	1,039,183	17,721	109,757	42,529	34,821	6,520	64,088	589,761	151,167	22,819
(17) Fiscal 2024 Cost	1,055,027	17,991	111,430	43,177	35,352	6,619	65,065	598,754	153,472	23,167
(18) Percentage of Total Cost	100.0%	1.7%	10.6%	4.1%	3.4%	0.6%	6.2%	56.8%	14.5%	2.2%
(19) Funded Ratio	72.05%	68.59%	83.39%	72.90%	68.59%	68.59%	68.59%	70.36%	68.59%	68.59%

\* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability, adjusted for additional contributions.